



Report to the Board of Directors 2018/19

Date of meeting	30 November 2018			
Subject	Site Development & Estates Strategy – Strategic Estates Partnership			
Report of	Director of Finance			
Prepared by	David Adams, Head of Estates & Planning			
Purpose of report	N/A			
Previously considered by (Committee/Date)	This report provides an update on the progress being made in implementing the Site Development & Estates Strategy.			
Board Action Required	Approval			Discussion
	Decision	X		Information
	Assurance			

Executive Summary and recommendation(s)

The Site Development and Estates Strategy makes recommendations for developing a modern, fit for purpose Estate that is aligned with the wider Sustainability and Transformation Plans for the local area.

The strategy was refreshed in March 2018, together with the supporting Masterplan options appraisal.

The Trust is exploring delivery arrangements via a Strategic Estates Partnership (SEP). The objective of the SEP is to increase the resources available to the Trust so it is able to deliver cost effective site development that may not have otherwise been affordable with normal government funding. This methodology is endorsed by The King's Fund in its publication 'King's Fund: NHS Estates Evidence Review (2016)'.

In 2017, a successful soft market testing exercise was completed which identified expressions of interest from six organisations. During 2018, the Trust has commenced work in preparation of a formal procurement exercise via the Official Journal of the European Union (OJEU). All tenders from the public sector above a certain financial threshold must be published in this publication.

The Board is asked to;

- i) **note the progress to date and the proposed schedule for the creation of a Strategic Estates Partnership (SEP); and**
- ii) **approve the commencement of the SEP tender process in January 2019, whilst awaiting the detail of new national guidance in relation to subsidiary companies from NHS Improvement.**

Strategic Ambition and Board Assurance Framework (BAF) links		
Strategic Ambitions	1. Deliver the best possible level of safe and effective care	X
	2. Provide education, support and development for our staff to deliver excellence in practice and be the employer of choice	X
	3. Effectively manage our financial resources, our estate and our infrastructure to ensure we are sustainable	X
	4. Actively participate in innovation, research and partnerships to transform our services	X
BAF reference(s)	4d	

This paper provides assurance against the Trust ambition(s) identified	
This paper is to close a gap in control/assurance in relation to the ambition(s)	

Legal/regulatory (regulatory/legislation requirement with specific reference where appropriate)	N/A			
Equality Impact/risks (Equality Delivery System 2 – EDS2 Nov 2013)	Progressing with the delivery of the Site Development and Estates Strategy will improve patient experience and is therefore a positive impact for patients and visitors.	Impact		
		Positive	Negative	Neutral
		X		
Assurance process and frequency of monitoring	N/A			

Explanation of Board action required:

Information: no discussion required. Update to ensure Board has sufficient knowledge on subject matter and to provide assurance on progress

Discussion: when seeking Board members' views, potentially ahead of final course of action being agreed

Decision: when being asked to choose between alternative courses of action

Approval: positive resolution required, to confirm paper is sufficient to assure the Board in its ongoing monitoring role or to address a gap in control

Assurance: various sources of information reviewed to confirm a position

1. Background

The Site Development and Estates Strategy makes recommendations for developing a modern, fit for purpose Estate that is aligned with the wider Sustainability and Transformation Partnership plans for the local area. The Trusts' strategy was originated in March 2016 and was refreshed in March 2018 to reflect a number of changes, including the formation of the Norfolk and Waveney Sustainable Transformation Partnership (STP).

The Site Development and Estates Strategy is supported by a Masterplan options appraisal document. This document was refreshed in August 2018; it contains conceptual design proposals based on the RIBA Plan of Works - Stage 0 (Strategic Definition).

2. Current Status

The Trust is exploring delivery arrangements via a Strategic Estates Partnership (SEP). The objective of the SEP is to increase the capital sum available to the Trust so it is able to deliver cost effective site development that may not have otherwise been affordable with normal government funding. This methodology is endorsed by The King's Fund in its publication '*King's Fund: NHS Estates Evidence Review (2016)*'. This sets out the findings of an evidence review in relation to estates strategy, commissioned to support the work of Sir Robert Naylor.

In 2017, a successful soft market testing exercise was completed which identified expressions of interest from six organisations. The Trust is now preparing a formal procurement exercise via the Official Journal of the European Union (OJEU). All tenders from the public sector, which are valued above a certain financial threshold must be published in this publication.

3. Progress made on SEP documentation

To commence the OJEU process a Prior Information Notice (PIN) was published in March 2018. The Trust has prepared a draft Memorandum of Information (MOI) and a Section Questionnaire for the establishment of a Strategic Estates Partnership (SEP) in accordance with OJEU legislation. Draft documents are being reviewed and updated by Estates and Legal Teams in preparation for a formal procurement exercise in early 2019.

In October 2018, NHS Improvement published guidance that all NHS Foundation Trusts should pause the creation of subsidiary companies pending a national review.

The Trust is aware that NHS national bodies are in the process of reviewing and developing a clearer national capital strategy. However, given the Trust's ambitions and need to progress with delivery of the Site Development and Estates Strategy and in the absence of available cash to support this, the Trust has continued work on the options appraisals, legal advice and supporting development work to commence the SEP procurement process. This is on the basis that a subsidiary company is only one of the options available in appointing a Strategic Estates Partner and the Trust will not be making any final decisions in creating a subsidiary until NHS Improvement issues the new guidance.

4. Timetable and next steps

Between now and Christmas 2018, as well as continuing to work on the SEP tender preparation, the Estates and Planning team is also focussing on delivering an Estates enabling scheme to co-locate services to support winter pressures. As the building industry often closes down over the Christmas period, in order to achieve a positive response from the market it is recommended that the SEP live tender process commences in January 2019 as set out in the following timetables.

SEP Tender Preparation and Approval Timetable

Task Name	Duration	Start	Finish
☐ Tender Preparation & Approval	205 days	Sat 24/03/18	Fri 04/01/19
Issue of Prior Information Notice (PIN)	0 days	Sat 24/03/18	Sat 24/03/18
Prepare Draft Selection Questionnaire (SQ)	10 days	Mon 27/08/18	Fri 07/09/18
Prepare Draft Memorandum of Understanding (MOI)	10 days	Mon 10/09/18	Fri 21/09/18
Prepare Draft Partnering Agreement	10 days	Mon 24/09/18	Fri 05/10/18
Prepare Draft Limited Liability Partnership (LLP)	10 days	Mon 08/10/18	Fri 19/10/18
Review SQ	10 days	Mon 22/10/18	Fri 02/11/18
Review MOI	10 days	Mon 05/11/18	Fri 16/11/18
Review Partnering Agreement	10 days	Mon 19/11/18	Fri 30/11/18
Review LLP agreement	10 days	Mon 03/12/18	Fri 14/12/18
Finance Director Approval	5 days	Mon 17/12/18	Fri 21/12/18
Christmas Period	10 days	Mon 24/12/18	Fri 04/01/19

SEP Live Tender Period

Task Name	Duration	Start	Finish
☐ Live Tender Period	136 days	Mon 07/01/19	Mon 15/07/19
OJEU Notice Period, Selection Questionnaire ("SQ"), Memorandum of Information ("MOI") and Invitation to tender ("ITT")	30 days	Mon 07/01/19	Fri 15/02/19
SQ evaluation and notification of bidders	10 days	Mon 18/02/19	Fri 01/03/19
Trust presentation to shortlisted bidders	1 day	Mon 04/03/19	Mon 04/03/19
Deadline for shortlisted Bidders' to prepare proposals during this period clarification questions	35 days	Mon 04/03/19	Fri 19/04/19
Deadline for submission of bids	5 days	Mon 22/04/19	Fri 26/04/19
Clarification and evaluation of bids	30 days	Mon 29/04/19	Fri 07/06/19
Trust Board approval to award	1 day	Fri 28/06/19	Fri 28/06/19
Award Notification & commencement of standstill	10 days	Mon 01/07/19	Fri 12/07/19
End of standstill and contract award	1 day	Mon 15/07/19	Mon 15/07/19

5. Recommendations

The Board is asked to;

- i) note the progress to date and the proposed schedule for the creation of a Strategic Estates Partnership (SEP); and
- ii) approve the commencement of the SEP tender process in January 2019, whilst awaiting the detail of new national guidance in relation to subsidiary companies from NHS Improvement.